

CITY OF SANTA BARBARA
Activity and Interest Report
September 30, 2009

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

09/01	LAIF Deposit/City	\$ 2,000,000
09/03	Federal Home Loan Mortgage Corp. (FHLMC)	2,000,000
09/04	LAIF Deposit/City	2,000,000
09/08	LAIF Deposit/City	1,000,000
09/09	Federal National Mortgage Assn. (FNMA)	2,000,000
09/15	LAIF Deposit/City	2,000,000
09/17	Federal Home Loan Bank (FHLB)	2,000,000
09/17	Federal Home Loan Bank (FHLB)	2,000,000
09/21	LAIF Deposit/City	1,000,000
09/23	LAIF Deposit/City	3,000,000
09/30	Federal Home Loan Bank (FHLB)	2,000,000
09/30	Federal Farm Credit Bank (FFCB)	2,000,000
	Total	\$ 23,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

09/01	Federal Home Loan Mortgage Corp. (FHLMC) Maturity	\$ (1,000,000)
09/02	LAIF Withdrawal/City	(2,500,000)
09/09	LAIF Withdrawal/City	(1,000,000)
09/10	LAIF Withdrawal/City	(2,000,000)
09/11	Federal Home Loan Bank (FHLB) Maturity	(1,000,000)
09/15	General Electric Capital Corp. (GECC) Maturity	(2,000,000)
09/17	LAIF Withdrawal/City	(6,000,000)
09/24	Federal Home Loan Mortgage Corp. (FHLMC) Call	(2,000,000)
09/25	Federal Home Loan Bank (FHLB) Maturity	(2,000,000)
09/30	LAIF Withdrawal/City	(2,500,000)
09/30	LAIF Withdrawal/RDA	(1,000,000)
	Total	\$ (23,000,000)

ACTIVITY TOTAL

\$ -

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 366,642
Amortization	8,788
SBB&T Sweep Account Interest	68
Total	\$ 375,499

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 14,219
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TOTAL INTEREST EARNED

\$ 389,718

CITY OF SANTA BARBARA
Summary of Cash and Investments
September 30, 2009

ENDING BALANCE AS OF AUGUST 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 45,600,000	0.925%	28.84%	1
Certificates of Deposit	2,000,000	2.500%	1.26%	78
Federal Agency Issues - Coupon	90,966,234	3.553%	57.53%	849
Corporate/Medium Term Notes	12,255,821	4.879%	7.75%	285
	150,822,055	2.852%	95.38%	537
SB Airport Promissory Note	7,300,000	7.000%	4.62%	7,242
Totals and Averages	\$ 158,122,055	3.044%	100.00%	846
SBB&T Money Market Account	3,214,338			
Total Cash and Investments	\$ 161,336,392			

NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2009 **\$ (179,052)**

ENDING BALANCE AS OF SEPTEMBER 30, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 41,600,000	0.750%	26.27%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.26%	48
Federal Agency Issues - Coupon	97,213,984	3.351%	61.38%	910
Corporate/Medium Term Notes	10,256,386	4.797%	6.48%	307
	151,070,369	2.722%	95.39%	607
SB Airport Promissory Note	7,300,000	7.000%	4.61%	7,212
Totals and Averages	\$ 158,370,369	2.919%	100.00%	912
SBB&T Money Market Account	2,786,971			
Total Cash and Investments	\$ 161,157,340			

Note:

(1) The average life of the LAIF portfolio as of September 30, 2009 is 234 days .

CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2009

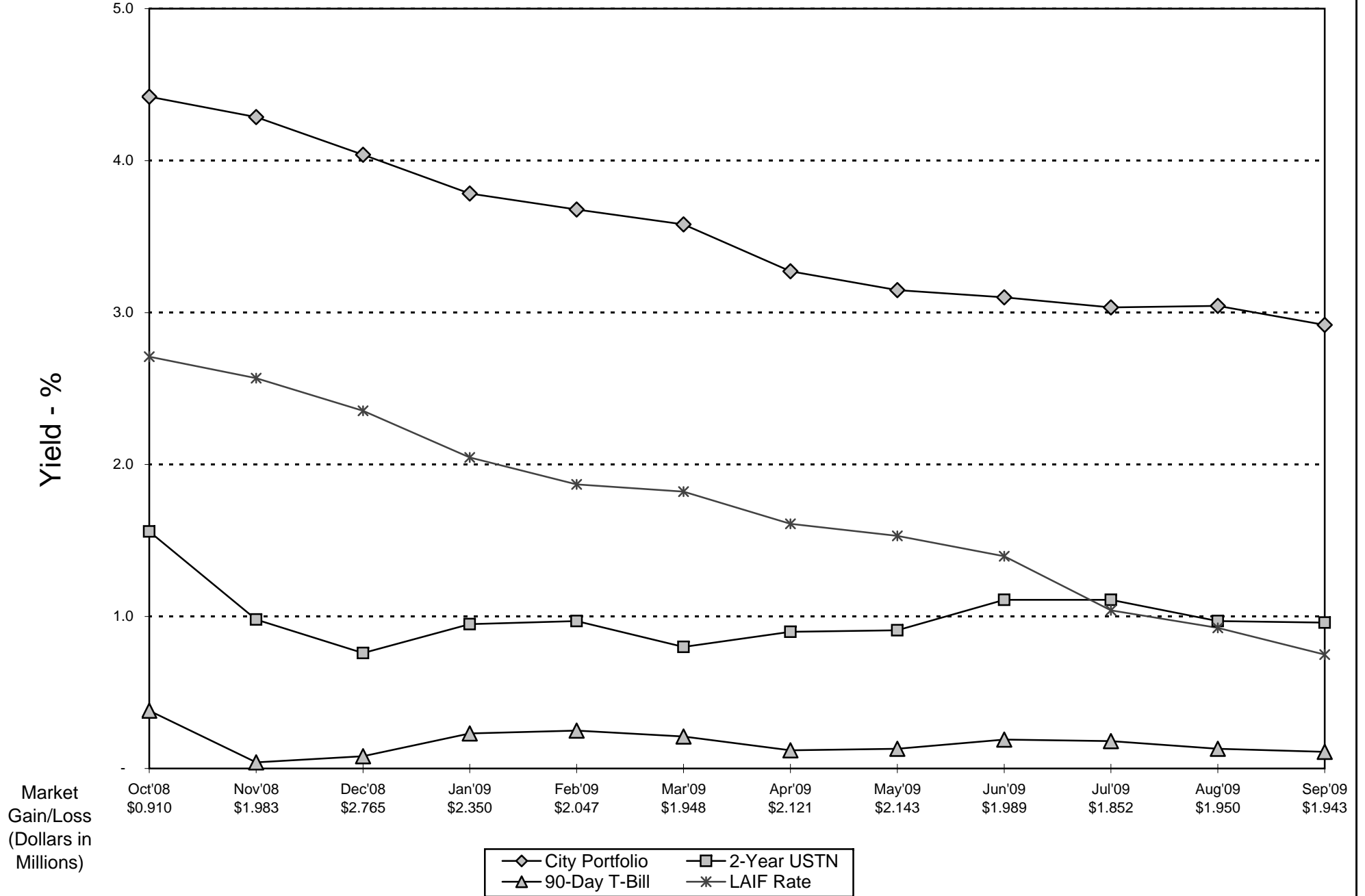
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.750	0.750	19,500,000.00	19,500,000.00	19,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.750	0.750	22,100,000.00	22,100,000.00	22,100,000.00	0.00	
Subtotal, LAIF							41,600,000.00	41,600,000.00	41,600,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,006,431.54	2,035,010.00	28,578.46	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,017,301.56	2,130,630.00	113,328.44	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,994,109.55	2,076,570.00	82,460.45	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,021,570.00	21,570.00	Callable 2/01/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	03/02/12	Aaa	AAA	2.370	2.370	2,000,000.00	2,000,000.00	2,013,440.00	13,440.00	Callable 3/02/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,028,130.00	28,130.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,036,560.00	36,560.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,007,190.00	7,190.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,021,250.00	21,250.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	1,993,440.00	(6,560.00)	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	995,883.49	1,013,130.00	17,246.51	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,997,807.92	2,005,620.00	7,812.08	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,007,393.21	2,143,440.00	136,046.79	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,967,676.54	2,090,630.00	122,953.46	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	998,874.84	1,021,095.00	22,220.16	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,600.56	2,016,570.00	16,969.44	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,799,404.14	1,819,799.00	20,394.86	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,020,940.00	20,940.00	StrNt, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	07/16/09	07/16/12	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,001,260.00	1,260.00	Callable 10/16/09, once
FEDERAL HOME LOAN BANK	09/30/09	09/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	1,998,440.00	(1,560.00)	StrNt, Callable 12/30/09, qtrly
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,054,303.44	2,063,440.00	9,136.56	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,462.57	1,044,220.00	43,757.43	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,987,375.88	2,069,060.00	81,684.12	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,998.90	2,352,703.33	7,704.43	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,812.85	2,075,310.00	75,497.15	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,995,709.19	2,059,690.00	63,980.81	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,995,811.38	2,040,940.00	45,128.62	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,987,561.88	2,061,250.00	73,688.12	

CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,157,964.79	2,165,940.00	7,975.21	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,480.56	2,014,740.00	16,259.44	Callable 4/08/11, once
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,014,120.00	14,120.00	Callable 5/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,024,557.38	2,026,870.00	2,312.62	
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,018,360.00	18,360.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	08/26/09	08/26/14	Aaa	AAA	3.625	3.625	2,000,000.00	2,000,000.00	2,013,040.00	13,040.00	Callable 2/26/10, then qtrly
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,992,008.50	2,060,160.00	68,151.50	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,003,520.00	3,520.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	07/30/09	01/30/13	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,006,640.00	6,640.00	Callable 7/30/10, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,921,776.59	1,959,520.00	37,743.41	
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,995,664.61	2,025,180.00	29,515.39	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,980,097.04	2,062,320.00	82,222.96	
FEDERAL HOME LOAN MTG CORP	04/29/09	10/29/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,020,640.00	20,640.00	Callable 10/29/10, once
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,036,250.00	36,250.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,019,690.00	19,690.00	StrNt, Callable 9/23/10, once
FEDERAL NATL MORTGAGE ASSN	05/04/09	05/04/12	Aaa	AAA	2.150	2.185	2,000,000.00	1,998,816.67	2,014,070.00	15,253.33	Callable 5/04/10, once
FEDERAL NATL MORTGAGE ASSN	09/09/09	09/09/14	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,017,500.00	17,500.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,994,870.16	2,047,500.00	52,629.84	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,031,880.00	31,880.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	05/20/09	11/20/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,007,190.00	7,190.00	Callable 5/20/10, once
FEDERAL NATL MORTGAGE ASSN	08/20/09	08/20/14	Aaa	AAA	3.625	3.636	2,000,000.00	1,999,227.78	2,008,760.00	9,532.22	Callable 11/20/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,032,500.00	32,500.00	Callable 3/05/10, once
Subtotal, Federal Agencies							97,045,000.00	97,213,983.52	98,867,717.33	1,653,733.81	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aa2	AAA	4.125	3.630	2,250,000.00	2,253,074.50	2,277,630.00	24,555.50	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,025,394.82	2,110,300.00	84,905.18	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,992,634.71	2,026,180.00	33,545.29	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,991,084.50	2,065,620.00	74,535.50	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,994,197.08	2,065,760.00	71,562.92	
Subtotal, Corporate Securities							10,250,000.00	10,256,385.61	10,545,490.00	289,104.39	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	7,300,000.00	7,300,000.00	7,300,000.00	0.00	
Subtotal, SBA Note							7,300,000.00	7,300,000.00	7,300,000.00	0.00	
TOTALS							158,195,000.00	158,370,369.13	160,313,207.33	1,942,838.20	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.

INVESTMENT YIELDS



CITY OF SANTA BARBARA
Fiscal Agent Investments
September 30, 2009

	CASH & CASH EQUIVALENTS	Guaranteed Investment Contracts (GIC)	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
	Book & Market	Book & Market	Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
RESERVE FUNDS										
2004 RDA - Housing Bonds	215.61	-	-	-	-	-	-	-	215.61	215.61
2002 Municipal Improvement - Refunding COPs	6,749.58	547,530.00	-	-	-	-	-	-	554,279.58	554,279.58
2002 Water - Refunding COPs	8,638.53	1,088,268.76	-	-	-	-	-	-	1,096,907.29	1,096,907.29
1994 Water - Revenue Bonds	20,020.19	757,680.00	-	-	-	-	-	-	777,700.19	777,700.19
2002 Waterfront - Reference COPs	988,272.18	1,393,262.50	-	-	-	-	-	-	2,381,534.68	2,381,534.68
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	1,111,361.28	3,786,741.26	-	-	-	-	-	-	4,898,102.54	4,898,102.54
PROJECT FUNDS										
2001 RDA Bonds	3,488,628.68	-	-	-	-	-	-	-	3,488,628.68	3,488,628.68
2003 RDA Bonds	20,497,473.14	-	-	-	-	-	-	-	20,497,473.14	20,497,473.14
2004 Sewer Revenue Bonds	3,238,346.85	1,357,140.00	-	-	-	-	-	-	4,595,486.85	4,595,486.85
2009 Airport Bonds	42,810,029.94	-	-	-	-	-	3,100,000.00	3,101,767.00	45,910,029.94	45,911,796.94
Subtotal, Project Funds	70,034,478.61	1,357,140.00	-	-	-	-	3,100,000.00	3,101,767.00	74,491,618.61	74,493,385.61
Subtotal Bond Funds	71,145,839.89	5,143,881.26	-	-	-	-	3,100,000.00	3,101,767.00	79,389,721.15	79,391,488.15
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	78,163.74	-	198,251.47	237,414.02	-	-	-	-	276,415.21	315,577.76
	78,163.74	-	198,251.47	237,414.02	-	-	-	-	276,415.21	315,577.76
TOTAL FISCAL AGENT INVESTMENTS	71,224,003.63	5,143,881.26	198,251.47	237,414.02	-	-	3,100,000.00	3,101,767.00	79,666,136.36	79,707,065.91

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank, Bank of New York and Santa Barbara Bank & Trust